



STRICTLY CONFIDENTIAL

March 28, 2006

رسالة مرسلة من قبل السيد
جيب ساويرس للصندوق
وتوقع ال ٤٤ مليون دولار

SENT VIA TELEFAX TO: 00-9702-297-4148

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CONFIRMATION VIA E-MAIL TO: aalhasan@pif.ps

Dr. Mohamed Abdullah Mostafa
Chief Executive Officer
Palestine Investment Fund (PIF)
Ramallah, Palestine

Dear Dr. Mostafa:

Thank you for your March 25, 2006. Regarding your request for payment of the US\$45 million amount of Orascom Telecom Algeria (OTA) dividends, and as discussed by our Legal Department with representatives of the PIF and the Palestinian Pension Fund (PPF) over the past several months, Orascom Telecom Holding SAE (OTH) is currently subject to a New York State court order that obligates it to make all payments due to the PIF and the PPF to the Estate of Ungar (the "Order").

As mentioned in telephone conversations with representatives of the PIF and PPF last year and earlier this year, OTH's contractual obligation to pay OTA dividends, or any other amounts, to the PIF and PPF would be deemed illegal in light of the Order. In the summer of 2005, OTH appointed outside counsel for purposes of vigorously challenging the validity of the Order both on jurisdictional and substantive grounds and has coordinated with PIF's outside counsel in setting forth a consistent challenge to the Order and other claims of the Estate.

Over the past ten months, OTH has been subject to perpetual and extremely burdensome challenges to their defense by the Estate of Ungar that have involved a substantial amount of time and effort. In addition, representatives of the Estate have sought to shamelessly tarnish me personally by baselessly associating me with so-called 'terrorists' in the press. Through our ongoing efforts, which I emphasize directly benefit PIF's position in the Estate of Ungar dispute, we are striving to invalidate the Order in order to be able to finalize the payments to PIF and PPF as soon as legally possible. However, OTH is in no position to directly or indirectly violate the Order until it is fully and finally invalidated.



As mentioned by our Legal Department in previous discussions with Mr. Shqirat and Mr. Najjab, OTH will deduct the direct legal fees and expenses incurred in challenging the Order from the amounts payable to PIF and PPF in light of OTH's complete independence from the Estate of Ungar matter and the benefit to PIF and PPF from OTH's ongoing efforts.

In the meantime, we will certainly keep you apprised of all relevant developments regarding this matter.

Kind regards,


Naguib Sawiris
Chairman & CEO
Orascom Telecom Holding S.A.E.



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